THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) No, Sir.

(c) Not in absolute terms but marginally in relative terms.

(d) All the employees of IBP Co. Limited and Kochi Refineries Limited (KRL), after merger, would become employees of Indian Oil Corporation Limited (IOCL) and Bharat Petroleum Corporation Limited (BPCL) respectively. The terms and conditions of service of such officers and employees will not be less favourable than those applicable to them prior to merger.

Gail's Agreement with China Gas Holdings Corporation

2900. SHRI MURLI DEORA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Gas Authority of India Ltd., had picked up 10 per cent stake with China's Gas Holdings Corporation this year;

(b) whether GAIL has received a formal offer from China's Gas Holding Corporation to jointly undertake gas distribution projects in three Chinese cities;

(c) whether GAIL has studied the project and decided to form a joint venture with China's Gas Holding Corporation where GAIL is expecting to have majority and management control; and

(d) the time for which an agreement to this effect is likely to be signed?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) Yes, Sir. GAIL (India) Limited have subscribed to 210 million shares of China Gas Holding which represents 8.66% of equity as of now.

(b) GAIL have received an initial offer of 3 projects in China *i.e.*, Wuhu and Whuaian in Anhui province and in Hubei province. Out of the three projects, China Gas have suggested to GAIL to consider Wuhu project in Anhui province to start with.

(c) and (d) GAIL have reported that the feasibility of forming a Joint Venture is under examination. It may take about 6 to 8 weeks

time to obtain clarity on these issues, after which, if required, an agreement would be negotiated.

Maintenance clause in International Pipeline Projects

2901. SHRI S.M. LALJAN BASHA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have scheduled a Working Group Meeting with Pakistan on the Iran Pipeline to discuss Risk Mitigation in August, 2005;

(b) what are the expected items which will be discussed with regard to risk mitigation;

(c) whether Government will study and raise the issue of having special courts to deal with humanitarian issues arising out of commercial activity;

(d) whether it is fact that pipeline maintenance would require mutual travel by workers and engineers; and

(e) the steps proposed to review the existing consular practices in relation to mega pipeline projects?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) Taking into account the various political and security-related issues pertaining to the pipeline, India's over-riding objective is to achieve a "safe and secure world class project", as stated in the Joint Press Statement issued in Islamabad on 7.6.2005 by the Petroleum Ministers of India and Pakistan, the relevant extracts being at Statement (*See* below). As stated in this Press Statement, a Joint Working Group (JWG) has been constituted at the Secretary-level to meet regularly and review the progress. The first meeting of the India-Pakistan JWG was held in New Delhi on 12-13 July 2005. Both sides conveyed their serious commitment to address various issues pertaining to the project and agreed that once basic issues pertaining to the project had been satisfactorily resolved between the three countries concerned, they would enter into a "Framework Agreement". The two sides also agreed on the crucial importance of urgently appointing their respective financial advisory consortia to advise on the project structure and related